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Report of the Secretary-General pursuant to Security Council resolution 1521 (2003) regarding Liberia

I. Introduction

1. The present report is submitted pursuant to paragraph 26 of resolution 1521 (2003), of 23 December 2003, in which the Council requested a report by 30 May 2004 drawing on information from all relevant sources, including the National Transitional Government of Liberia, the United Nations Mission in Liberia (UNMIL) and the Economic Community of West African States (ECOWAS), on progress made towards the goals described in paragraphs 5, 7 and 11 of the resolution.

2. In paragraph 5 of the resolution, the Security Council expressed its readiness to terminate the measures imposed in paragraphs 2 (a) and (b) and 4 (a) of the resolution when the Council determined that the ceasefire in Liberia was being fully respected and maintained, that disarmament, demobilization, reintegration, repatriation and restructuring of the security sector had been completed, that the provisions of the Comprehensive Peace Agreement (see S/2003/850, annex) were being fully implemented and that significant progress had been made in establishing and maintaining stability in Liberia and the subregion.

3. In paragraph 7 of the resolution, the Security Council called upon the National Transitional Government of Liberia to take urgent steps to establish an effective certificate of origin regime for trade in Liberian rough diamonds that was transparent and internationally verifiable with a view to joining the Kimberley Process, and to provide the Committee established under paragraph 21 of the resolution with a detailed description of the proposed regime.

4. In paragraph 11 of the resolution, the Security Council urged the National Transitional Government of Liberia to establish its full authority and control over the timber-producing areas and to take all steps necessary to ensure that government revenues from the Liberian timber industry were not used to fuel conflict or were otherwise in violation of the Council's resolutions but were instead used for legitimate purposes for the benefit of the Liberian people, including development.

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II. Information provided by the United Nations Mission in Liberia

Observation of the ceasefire

5. There has been general respect for and maintenance of the ceasefire in Monrovia and other parts of the country since December 2003, although a number of minor ceasefire violations perpetrated by elements of all three armed groups have been reported outside the capital. For instance, there were incidents of sporadic shooting among Liberians United for Reconciliation and Democracy (LURD) combatants in Gbarnga and Voinjama on 11 and 16 January respectively, in Tubmanburg on 30 March and again in Gbarnga on 8, 9 and 11 April. Those incidents were reportedly related to the leadership struggle within LURD between Sekou Damate Conneh and his estranged wife, Aisha Keita Conneh. On 20 March, elements from the Movement for Democracy in Liberia (MODEL) fired into the air and looted a number of shops and houses in Buchanan during a violent confrontation between a crowd of civilians and MODEL combatants.

6. There have been some reports of harassment of civilians, including criminal activities, extortion and looting, by elements of all three armed factions. UNMIL expects that such incidents, including ceasefire violations, will decrease as the disarmament, demobilization, rehabilitation and reintegration programme progresses throughout the country.

Progress in disarmament, demobilization, reintegration and repatriation

7. The disarmament, demobilization, rehabilitation and reintegration programme was initially launched for former Government of Liberia forces at the Camp Scheiffelin cantonment site on the outskirts of Monrovia on 7 December 2003. The process encountered several difficulties, including lack of capacity to accommodate the considerable turnout of combatants presenting themselves for disarmament and misunderstandings among the combatants with respect to the benefits they were expecting to receive. During the first few days of disarmament, disturbances erupted at Camp Scheiffelin and in Monrovia that abated only after UNMIL met with the Defence Minister and commanders of the ex-Government of Liberia forces and agreed to provide disarmed combatants with an advance portion of the transitional safety-net allowance, which was supposed to be paid at a later stage in the programme. On 17 December 2003, the programme was suspended after 12,664 ex-Government of Liberia combatants had been disarmed and 8,686 assorted weapons had been collected. It was subsequently agreed by UNMIL and the leadership of the three factions, LURD, MODEL and ex-Government of Liberia forces, that the disarmament, demobilization, rehabilitation and reintegration process would resume only after all necessary arrangements were in place to ensure a well-prepared, better coordinated and secure operation. The resumption of the programme was contingent on the following preconditions having been met: sufficient UNMIL troop deployment to provide adequate security, implementation of an extensive information and sensitization campaign for combatants, establishment of cantonment sites with operational readiness for demobilization services and

provision by the three armed factions of lists of their fighters, locations and weapons.

8. The disarmament, demobilization, rehabilitation and reintegration programme was relaunched on 15 April, following the achievement of the first three preconditions. For a variety of reasons, the factions were unable to provide comprehensive lists of their combatants, locations and weapons. However, with the exception of LURD, each of them submitted partial lists. The disarmament and demobilization exercise commenced in Gbarnga for LURD combatants on 15 April, in Buchanan on 20 April for MODEL combatants, in Tubmanburg on 25 April for LURD combatants and at the Voice of America site near Monrovia for ex-Government of Liberia combatants on 30 April. Disarmament of ex-Government of Liberia militias also commenced in Kakata on 6 May and in the Buchanan cantonment site initially used for MODEL combatants on 7 May. In the meantime, additional cantonment sites have been identified and are under construction. Except for a few operational problems, the disarmament, demobilization, rehabilitation and reintegration programme has continued in a well-organized, orderly and peaceful manner at all cantonment sites.

9. As at 18 May, a total of 17,485 combatants had disarmed since 15 April. They include 2,292 women, 1,561 boys and 352 girls. Some 5,689 weapons had been surrendered (mainly rifles and semi-automatic machine guns), together with an estimated 930,806 rounds of small arms ammunition and 7,667 pieces of unexploded ordnance (including rocket-propelled grenades, mortar shells and hand grenades). Overall, since December 2003, 30,975 combatants have been disarmed, representing about 58 per cent of the anticipated total of 53,000. Some 14,368 weapons have been surrendered, together with an estimated 3,648,474 rounds of small arms ammunition and 10,317 pieces of unexploded ordnance. As at 30 April, UNMIL had registered 82 foreign combatants, including 11 from Côte d'Ivoire, 1 from Ghana, 59 from Guinea and 11 from Sierra Leone.

10. At the same time, rehabilitation and reintegration projects are being prepared by UNMIL and its partners for disarmed and demobilized ex-combatants. On 26 April, the United States Agency for International Development (USAID), Development Alternatives Incorporated (DAI), which is an implementing agency for USAID, the National Transitional Government of Liberia and UNMIL signed a memorandum of understanding authorizing DAI to manage the Liberian community infrastructure programme. The programme, which focuses on the reintegration of up to 10,000 ex-combatants and 10,000 non-combatants into productive local communities, is already under way. The United Nations Development Programme (UNDP) is selecting project implementing partners for other bridging arrangements, while the Ministry of Education has been requested to provide information related to acceptance guidelines for ex-combatants interested in attending educational institutions. In addition, the United Nations Children's Fund is developing long-term capacity-building programmes for child ex-combatants, most of which will involve education, skills development, apprenticeships and community-based support. The Disarmament, Demobilization, Rehabilitation and Reintegration Joint Implementation Unit is now fully operational and has also developed a reintegration strategy. It should be noted that foreign combatants are participating in the disarmament, demobilization, rehabilitation and reintegration programme, while discussions continue among their respective Governments, as well as among United

Nations country teams and other stakeholders in the subregion, with respect to their repatriation and reintegration into their home countries.

Progress in restructuring the security sector

11. By its resolution 1509 (2003) of 19 September 2003, the Security Council mandated UNMIL to assist the National Transitional Government of Liberia in monitoring and restructuring the police force of Liberia, consistent with democratic policing; to develop a civilian police training programme; and to otherwise assist in the training of civilian police, in cooperation with ECOWAS, international organizations and interested States. UNMIL was also mandated to assist the National Transitional Government of Liberia in the formation of a new and restructured Liberian military force, in cooperation with ECOWAS, international organizations and other interested States.

12. Steady progress is being made in reforming and restructuring the police service. The UNMIL civilian police component has been carrying out its mandated tasks of monitoring and mentoring the Liberian National Police (LNP). Civilian police officers are also co-located with LNP personnel and are assisting in re-establishing the police service in localities where communities are underserved. In addition, UNMIL is providing police training while undertaking longer-term planning for a restructured national police service. In accordance with the provisions of the Comprehensive Peace Agreement, UNMIL has so far trained 530 Liberian National Police officers for the Liberian interim police force. Thematic courses to reinforce the capacity of LNP for criminal investigations, riot control and enhanced general safety and security are also in progress.

13. In the meantime, UNMIL has established a Technical Committee on the Rule of Law comprising representatives of the Ministry of Justice, the National Security Adviser, a representative of the Chief Justice, the Director of LNP and UNMIL civilian police, corrections, judiciary and human rights units. The Committee, which is chaired by UNMIL, was set up to coordinate the reform of the police, judiciary and correctional institutions. It has finalized the eligibility criteria for recruitment into the new police force, which has been renamed the Liberian Police Service. On 5 May, the Chairman of the National Transitional Government of Liberia, Gyude Bryant, and my Special Representative, Jacques Paul Klein, launched the recruitment drive for 3,500 personnel who will be trained over the next two years for the Liberian Police Service. During recruitment, particular emphasis will be placed on the need for ethnic and gender balance. Current members of LNP will not be automatically recruited into the new force unless they meet new recruitment guidelines.

14. With respect to the reform of the military, the United States of America has confirmed that it will take the lead in coordinating the restructuring of a new Liberian military and in that regard is expected to send an assessment team to Liberia to review the restructuring needs of the armed forces in the near future. The United States is also approaching other donors to assist in that effort. In addition, during a visit to Monrovia on 8 May, the Chief of Defence Staff of Nigeria indicated his country's readiness to consider assisting in the training of military personnel for the restructured Liberian Army, if so requested, by the Liberian authorities.

Progress in the implementation of the Comprehensive Peace Agreement

15. Significant progress has been made in implementing other important elements of the Comprehensive Peace Agreement. The Joint Monitoring Committee, the Implementation Monitoring Committee and the International Contact Group on Liberia, all charged with monitoring the implementation of the Comprehensive Peace Agreement, continue to meet regularly with a view to ensuring that the peace process remains on track. On 23 March, the 21-member Cabinet of the National Transitional Government of Liberia was sworn in. The National Transitional Legislative Assembly meets on a regular basis and, as at 6 May, had held 56 plenary sessions. However, the ongoing leadership struggle within LURD, between Sekou Damate Conneh and Aisha Keita Conneh (see para. 5 above), remains unresolved and has caused divisions within the ranks of the movement.

16. With respect to elections, in April a two-week needs-assessment mission dispatched by the Electoral Assistance Division of the Department of Political Affairs visited Liberia to define the future role of UNMIL in the electoral process as foreseen in the Comprehensive Peace Agreement, among other things. The assessment team was given the task of clarifying the mandate of the UNMIL electoral unit, as well as its composition and resource needs. The mission took place at the same time as the electoral assessment visits by the European Commission and a joint team from USAID and the International Foundation for Election Systems. The assessment mission concluded that the National Electoral Commission had very limited capacity to carry out civic and voter education, voter registration, delimitation of constituencies and polling. It added that without extensive international assistance, those activities would not be able to be carried out in accordance with the schedule and parameters set out in the Comprehensive Peace Agreement, which calls for national elections to be held by October 2005. It recommended that a consultative forum be organized, involving all signatories of the Agreement, to clarify some of the ambiguities in the electoral provisions of the Agreement.

Progress in maintaining stability in Liberia and the subregion

17. The National Transitional Government of Liberia has continued its efforts to improve its relations with neighbouring countries. Chairman Bryant has made visits to Côte d'Ivoire, Guinea and Sierra Leone to discuss bilateral issues and restore confidence between Liberia and its neighbours. Efforts are also under way to reactivate the Mano River Union with the help of the United Nations, ECOWAS and the European Union. At the same time, significant steps are being taken to coordinate activities between UNMIL and its counterparts from the United Nations Mission in Sierra Leone (UNAMSIL), the United Nations Operation in Côte d'Ivoire (UNOCI) and the Office of the Special Representative of the Secretary-General for West Africa. On 13 February, the UNMIL Force Commander met in Abidjan with his counterparts from the subregion to discuss military coordination with respect to cross-border activities. My Special Representative also met with his counterparts from UNOCI, UNAMSIL, the United Nations Peace-building Support Office in Guinea-Bissau and the Office of the Special Representative of the Secretary-General for West Africa in Dakar on 18 February to review and coordinate

measures aimed at addressing cross-border issues, including the movement of combatants, the use of mercenaries, the circulation of small arms and the repatriation of foreign combatants. A working-level meeting of the United Nations missions and offices was held on 29 April in Dakar, at which time presentations were made related to the Council's request, contained in the presidential statement of 25 March (S/PRST/2004/7) to strengthen inter-mission cooperation, including on such issues as information and resource sharing, joint patrolling and monitoring and the possibility of cross-border operations. On 21 May, the United Nations partners met in Dakar once again to discuss, among other things, the harmonization of the disarmament, demobilization, rehabilitation and reintegration programmes in the subregion. UNMIL will continue to work in a concerted manner with other United Nations peace operations in West Africa, as well as with ECOWAS, with a view to addressing subregional challenges.

III. Information provided by the National Transitional Government of Liberia

18. As part of its commitment to achieve the goals set out in paragraphs 7 and 11 of Security Council resolution 1521 (2003), on 26 November 2003 the National Transitional Government of Liberia set up a task force on sanctions consisting of a Timber Sanctions Review Committee and a Diamond Sanctions Review Committee. Both committees were given the task of addressing issues related to the resolution and producing reports detailing adequate responses regarding the reform of both sectors.

Progress in establishing a certificate of origin regime for trade in Liberian rough diamonds

19. The Diamond Sanctions Review Committee was to make recommendations on developing an effective, transparent and internationally verifiable certificate of origin regime for trade in Liberian rough diamonds, which would enable Liberia to join the Kimberley Process certification scheme. In submitting its report on 24 December 2003, the Diamond Sanctions Review Committee identified three priorities for the National Transitional Government of Liberia:

- To provide assistance in the setting up of cooperatives with an assured route for artisanal miners from production to Kimberley Process certification and the possibility of hallmarked "for development". (The Committee agreed that this should be the Government's short-term objective.)
- To establish the parameters within which the Government can encourage investment in the mining exploration industry by serious exploration companies intending to bring in major mining investments in hard rock mineral exploration in Liberia.
- To provide a supporting infrastructure based on the Ministry of Lands, Mines and Energy and its subsectors in the geological survey and the Mines Department.

20. The Diamond Sanctions Review Committee also stated that the Government needed to re-establish the basis on which the industry used to work and then add the

extra controls now required by the Kimberley Process to ensure that the source of the diamonds entering the process was established. At the same time, it emphasized that the National Transitional Government of Liberia should do its utmost to encourage external investment in the mineral exploration and mining industries in order to develop a much more vibrant and profitable sector.

21. Other recommendations included the following:

(a) After due consultations with the Diamond High Council on the requirements for compliance with the Kimberley Process Certification Scheme, the National Transitional Government of Liberia should contact the United Nations Security Council Committee on Liberian sanctions indicating its readiness to subscribe to the Kimberley Process, with a view to a possible early review and removal of sanctions against the country;

(b) A comprehensive programme for establishing an effective and credible monitoring mechanism within the administrative structure of the National Transitional Government of Liberia should be developed. Such mechanism should be anchored in the Ministry of Lands, Mines and Energy and should include a capacity-building programme involving the Bureau of Customs and Excise, the Central Bank and the Ministry of Commerce and Industry. The programme should include the setting up of a database on the production and trade of diamonds, with the potential to include information related to other minerals in Liberia in the future;

(c) Contacts should continue with the Diamond High Council of Belgium, through its Director of International Affairs, Mark Van Bockstael (who visited Liberia from 14 to 21 April), to seek technical assistance for Liberia's application to the Kimberley Process;

(d) Liberia must also re-establish contacts with the Kimberley Process to confirm the status of its application for participation and to confirm whether the country's draft certificate was received and approved;

(e) Diplomatic rapprochement should be initiated with China, the United Kingdom of Great Britain and Northern Ireland and the United States to seek support for the participation of Liberia in the Kimberley Process Certification Scheme.

22. The Diamond Sanctions Review Committee further recommended that the National Transitional Government of Liberia:

(a) Undertake a careful assessment of the monitoring schemes established in Angola and Sierra Leone in order to identify the lessons learned;

(b) Establish contacts with the British Foreign and Commonwealth Office, the European Union, USAID, the South African Government and UNDP for technical assistance in setting up Liberia's diamond-monitoring mechanism;

(c) Seek foreign technical assistance for reorganizing the alluvial mining sector with a view to establishing mining cooperatives involving all claim-holders;

(d) Seek assistance on incorporating the alluvial mining sector into Liberia's disarmament, demobilization, rehabilitation and reintegration programme. Training modules should be developed for ex-combatants desiring to engage in diamond and gold mining as an option for a meaningful livelihood through the present UNDP and UNMIL programmes in Liberia;

(e) Undertake a study of mining in general, and specifically diamond mining in Botswana, in order to determine how the medium- and large-scale mining subsectors in Liberia could benefit from the experience of that country.

23. In order to clarify these issues and formulate a detailed policy, the Diamond Sanctions Review Committee recommended that a series of workshops be organized along the lines of the workshops sponsored by the United Kingdom Department for International Development and the World Bank, which had been held in Sierra Leone. It further recommended that the United Nations provide a technical expert as a consultant to the Ministry of Lands, Mines and Energy to facilitate Liberia's compliance with the Kimberley Process as part of the capacity-building programme for the Ministry. The National Transitional Government of Liberia has agreed to the recommendations and has submitted to the National Transitional Legislative Assembly for enactment a bill to amend the new minerals and mining law, by adding a new chapter providing for controls on the export, import and transit of rough diamonds. It is expected that passage of the bill into law will enhance Liberia's compliance with the Kimberley Process Certification Scheme in a transparent manner, thereby enabling the country to fulfil the request contained in resolution 1521 (2003).

24. The National Transitional Government of Liberia has also contacted Mr. Bockstael, of the Diamond High Council of Belgium, seeking further technical assistance on the country's application to join the Kimberley Process. Mr. Bockstael organized a one-day workshop for 15 senior officials of the Ministry of Lands, Mines and Energy during his visit to Liberia in April.

Control over the timber-producing areas and use of revenues from the timber industry

25. The Timber Sanctions Review Committee, which was established on 26 November 2003 by Chairman Bryant, was given the responsibility of developing a road map for the Government to follow to enable sanctions to be lifted and operations in the timber sector to recommence. The Committee was also mandated to find ways to ensure that the profits of the logging and timber sector would benefit the Liberian people and that activities in the sector would be undertaken in a manner consistent with internationally accepted environmental standards.

26. The Timber Sanctions Review Committee held consultations with representatives of government ministries and agencies, as well as with individuals operating in the timber industry. It also conducted a series of consultative meetings in December 2003 with visiting teams from the International Monetary Fund, the World Bank and the United States Government, which have been providing professional, technical and financial support to the National Transitional Government of Liberia in its reform programme. It should be mentioned that the United States Embassy in Liberia and USAID held a two-day workshop, on 15 and 16 December 2003, with the objective of examining and developing the Committee's recommendations, as well as with promoting their implementation. On 26 December 2003, the Committee submitted its recommendations for forestry reforms in six areas of activity (see annex I). It estimates that the recommendations would cost approximately $8.7 million to implement.

27. The Forestry Development Authority, a government institution with responsibility for overseeing the timber industry, also established a Concession Review Committee in January 2004 to review all logging concession agreements in Liberia, to determine their legitimacy, to consider all financial obligations to the Government and to make appropriate recommendations to the Forestry Development Authority. The Concession Review Committee initially comprised staff drawn mainly from the Authority. During the first phase of its assignment, the Committee completed a preliminary review of concession agreements submitted by concessionaires. Its report was later submitted to the Managing Director of the Authority (see annex II), who then commissioned the second phase of the assignment in March. The second phase will include an assessment of the information given by concessionaires, based on a questionnaire devised by the Committee. In an effort to address criticisms over its objectivity and transparency, the Committee has increased its membership to include local non-governmental organizations (NGOs) acting under the umbrella of the "NGO Coalition for Liberia".

28. In early March, the Forestry Development Authority declared all of its regional offices formally open. In April, it opened separate accounts for reforestation and conservation taxes at the Central Bank, in keeping with its agreement to comply with an executive order directing all revenue-generating entities of the Government to deposit their revenues at the Central Bank of Liberia. In that regard, the Authority is also expected to open, at the Central Bank, disbursement accounts to cover general operating expenses and single-purpose accounts to cover reforestation and community development activities. An account for stumpage and other fees may also be opened soon.

29. A United States Government delegation visited Liberia in April to hold discussions with the National Transitional Government of Liberia, the Forestry Development Authority, the private sector and other actors. All interlocutors have declared their interest in assisting the Authority to prioritize needs and to make recommendations, including in the areas of planning, as well as with respect to technical and material assistance aimed at improving forest management. The United States has since committed $1 million to assist with the much-needed reforms for the lifting of the timber sanctions. Similarly, the World Bank has committed $500,000 and is presently conducting an assessment of the forest sector.

30. Once the disarmament, demobilization, rehabilitation and reintegration programme is completed, the Government will be able to establish its full authority and control over the timber-producing areas and to ensure that its revenues from the Liberian timber industry are not utilized to fuel conflict, but are instead used legitimately for development activities to benefit the Liberian people.

IV. Information provided by the Economic Community of West African States

31. For the present report, ECOWAS expressed its satisfaction that the relevant issues had been adequately addressed and indicated its endorsement of the contents of the report.

V. Observations

32. Since its establishment on 14 October 2003, the National Transitional Government of Liberia has made some encouraging progress towards meeting the objectives contained in paragraphs 5, 7 and 11 of resolution 1521 (2003), notwithstanding a number of serious resource and operational constraints.

33. At the same time, much remains to be done to rigorously apply and implement the recommendations for reform of the timber sector made by the Timber Sanctions Review Committee in a transparent and accountable manner. In this regard, the reform programme for the timber sector still needs to be developed into a comprehensive package, with fully defined recommendations, an implementation strategy and timelines. Although some steps have been taken — such as a review of logging concessions — there are still concerns about the current pace of the review process and about the way future concessions could be awarded by the National Transitional Government of Liberia. In that connection, the Forestry Development Authority will need to ensure transparency in revising all forestry concession agreements to reflect international standards and sustainable forest management practices.

34. The National Transitional Government of Liberia does not yet have full authority and control over the timber-producing areas. However, with the steady deployment of UNMIL forces throughout the country, in particular to key areas where logging activities take place, such as Buchanan, Greenville and Zwedru, and with increasing United Nations air and road patrols, the Government's capacity to gradually extend control to timber-producing areas will soon be enhanced. At the same time, however, there is little evidence to suggest that the Government will have sufficient capacity in the short term to assume full control of all timber-related activities. For instance, the Forestry Development Authority has formally declared its four regional offices in Bomi, Buchanan, Greenville and Zwedru open, but it has yet to deploy personnel to staff those offices. It will also take some time to establish local administration in forest areas.

35. It is important to note that as a result of 14 years of civil strife, a significant number of logging records have either been lost or have been only partially preserved, making it difficult to obtain a clear picture of the financial situation of the Forestry Development Authority. The most pressing concerns continue to be the lack of structure, oversight, and accountability in the financial management systems of the timber sector. The Forestry Development Authority will require significant assistance to be able to effectively manage the forestry revenues of Liberia and to prepare its financial and information systems before the forensic and systems audit, funded by the European Union, that is scheduled to take place in July 2004.

36. In relation to the diamond sector, the National Transitional Government of Liberia is making gradual progress in preparing its application to join the Kimberley Process, especially following the visit of a representative of the Diamond High Council of Belgium in April. In making the application, the Government will need to ensure transparency in its procedures and in its method for instituting controls over the export, import and transit of rough diamonds.

37. The members of the Security Council may wish to consider what additional steps should be taken by the National Transitional Government of Liberia and the international community to enhance Liberia's compliance with the provisions of resolution 1521 (2003). In that regard, I would like to acknowledge with

appreciation the assistance that is being provided by some Member States and international organizations to the National Transitional Government of Liberia in its efforts to reform the timber industry and adhere to the Kimberley Process Certification Scheme and would urge those in a position to do so to provide additional support. Such assistance is vital to enable Liberia to make progress towards meeting the goals and objectives of resolution 1521 (2003), which could facilitate an early review of existing sanctions. It is hoped that, through the efforts of the Liberian Government and with the support of the international community, the development activities of the country will benefit fully in the future from the properly managed use of revenues derived from the country's natural resources.

Annex I

Timber Sanctions Review Committee

Reform programmes for lifting sanctions in the forestry sector

Reform programmes	*Description*	*Implementation period*	*Cost (U.S. dollars)*
1. Building the capacity of the Forestry Development Authority	Appoint board of directors	January 2004	-
	Structure management, adequately compensate staff and provide logistics	January-October 2004	7 664 000
	Train field technicians and middle-level staff	February-December 2004	100 000
	Prepare the terms of reference and commission an independent oversight committee with a mandate to raise community awareness, supervise and review non-governmental organizations and encourage sustainable forest management	February 2004	140 000
	Request technical assistance for forestry and financial management	February-March 2004	450 000
2. Improving the sector's transparency and accountability	Commission an audit of the Forestry Development Authority	January 2004	-
	Establish a system for depositing all forestry revenues into accounts directed by the Ministry of Finance at the Central Bank	January 2004	-
	Establish a system for funding Forestry Development Authority accounts with the Central Bank based on budget allocation of biquarterly transfer of funds from Government of Liberia accounts based on standing instruction	December 2003-February 2004	-
	Design a system for separate receiving and disbursing of reforestation and conservation fees	December 2003-February 2004	-
	Establish a system of reporting and making information accessible to the public	February 2004	-
	Set up an independent oversight committee	January 2004	-
3. Reviewing concessions	Recall and review all existing concession agreements	January-February 2004	15 000
	Impose penalties on companies violating sanctions	December 2003-March 2004	
	Prepare addendum to concession agreements reflecting conservation and environmental policies	December 2003-March 2004	

Reform programmes	*Description*	*Implementation period*	*Cost (US dollars)*
4. Conducting a forest inventory	Ground-truthing field surveys and maps from the Geographic Information System	December 2003-February 2004	200 000
	Determine the potential value of forest resources (timber and non-timber forest products)	December 2003-February 2004	
	Provide information for monitoring, taxation and enforcement	December 2003-February 2004	
5. Protecting and developing the park	Reconstruct Sapo Park infrastructure	January-June 2004	100 000
	Provide equipment and materials for park management	January-June 2004	
	Train and deploy park personnel	January-June 2004	
6. Mobilizing technical and financial assistance	Participate in donor meeting and other promotional activities	January-February 2004	50 000
	Discuss bilateral arrangements	January-February 2004	
	UNMIL to complete deployment	By April 2004	
Programme requirements	For Forest Development Authority capacity-building		8 354 000
	For other reform programmes		365 000

Annex II

Recommendations of the Concession Review Committee

The Committee hereby recommends that, predicated upon irregularities and inconsistencies observed in the acquisition of concessions coupled with concession — holders' inability to liquidate their financial obligations to the Government, the Managing Director of the Forestry Development Authority choose from the following, which, when implemented, will occasion transparency and bring about effective forest reform practices:

(a) That all concession agreements be cancelled and all arrears waived and that in the event of cancellation of concession agreements, the present holder be given first preference in the reacquisition of concession areas, provided they meet the terms and conditions required by the forestry laws of the Republic of Liberia; or

(b) That all concessions awarded between 1997 and 2003 be cancelled due to irregularities in the allocation process, performance with respect to forest and fiscal laws and regulations, failure to compensate concession owners for their concessions, political pressure and lack of transparency, as was done by previous elected governments and Forestry Development Authority managements; or

(c) That only those concessions that were legitimate prior to 1997 be approved and allowed to operate; or

(d) That, after signing the agreement, all concessionaires be required to pay in advance all forestry-related taxes based on standing volume before the commencement of normal logging operations; or

(e) That concession agreements be approved by the President and ratified by the National Legislature before the commencement of normal logging activities; or

(f) That the provision of the forestry law which requires the employment of two graduate foresters specifically to a managerial post be reinforced; or

(g) That the provision which prohibits hunting, mining, farming, etc., in the National Park and/or protected areas be reinforced; or

(h) That the 25 per cent offshore surrender scheme for the exportation of forest products be reintroduced; or

(i) That reforestation be privatized but monitored by the Forestry Development Authority and that all fees be deposited in the Central Bank; or

(j) That all proposed protected areas (parks and reserves) be proclaimed by the Government to enhance biodiversity conservation; or

(k) That all concession agreements be processed within the period of 60 days; or

(l) That any concession agreement not ratified by the National Legislature be considered invalid; or

(m) That concessionaires be required to establish processing facilities (sawmills) not later than two years after the contract is awarded; or

(n) That all memorandums of understanding between the Forestry Development Authority and international environmental organizations be reviewed.